

Docket No. N2021-2

LIBRARY REFERENCE USPS-LR-N2021-2-1

Calculating Transportation Cost Changes

RELATING TO THE TESTIMONY OF WITNESS KIM (USPS-T-2)

PREFACE

PURPOSE: USPS-LR-N2021-2-1 contains the calculation of cost changes in purchased transportation. This Category 2 library reference is associated with the testimony of, and sponsored by, Witness Kim (USPS-T-2).

PREDECESSOR DOCUMENT: The materials presented herein are similar to those presented in USPS-LR-N2021-1-4 (Whiteman) in Docket No. N2021-1.

CORRESPONDING NON-PUBLIC DOCUMENT: The corresponding non-public version of this material is presented in USPS-LR-N2021-2-NP1.

CONTENT: This library reference consists of one Excel workbook, Transportation Savings-Public.xlsx, with six tabs: Summary, Calculate Air Change Lbs Flown, Air, Highway, Potential-Charter, and Potential-NDC Network. The calculations included in each of these tabs are described below. An unredacted version of these calculations can be found in the corresponding non-public version, USPS-LR-N2021-2-NP1.

Summary: This tab sums the calculated savings from the Air and Highway tabs, and it compares the savings to those calculated in witness Whiteman's testimony in Docket No. N2021-1, USPS-LR-N2021-1-4.

Calculate Air Change Lbs Flown: This tab contains calculations to convert the percent reduction in First-Class Mail pounds flown provided by Witness Hagenstein (USPS-T-1) into a reduction in pounds flown for each of the air networks.

Air: This tab converts the reduction in pounds flown on each of the air networks from the previous tab to a percent reduction in required capacity for each network. Next, this percent reduction in air capacity is used to calculate the resulting reduction in air cost.

Highway: This tab contains calculations of the change in highway cost that results from the change in required highway capacity, which is provided by Witness Hagenstein.

Potential-Charter: This tab converts the range of potential reductions in charter capacity provided by witness Hagenstein to a range of potential cost savings.

Potential-NDC Network: This tab contains calculations of the range of potential cost savings that result from the range of potential capacity reductions in the NDC network provided by witness Hagenstein.